

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED
30th SEPTEMBER 2021

Key Financial results (Q2 & H1 FY22):

- Disbursements at ₹ 8,706 Cr for the quarter (Up by 35%) and ₹ 12,341 Cr for the half year (Up by 23% YoY)
- Total AUM at ₹ 75,063 Cr was marginally higher than H1 FY21
- Net Income Margin up at ₹ 1,393 Cr for the quarter (Up 11% YoY) and ₹ 2,756 Cr for the half year (Up 23% YoY)
- PAT at ₹ 607 Cr for the quarter (Up 40% YoY) and ₹ 933 Cr for the half year (Up by 8% YoY)

Chennai, OCTOBER 29, 2021: The Board of Directors of CIFCL today announced the unaudited financial results for the quarter and half year ended 30th September 2021.

Highlights:

The last quarter had several positives (i) the waning of second wave (ii) India outpacing other countries in terms of increased vaccination drive and (iii) A good monsoon. These events have led to expectations of a swift revival of Indian economy.

These expectations have been supported by uptrend in economic indicators like tax collections, power consumption, vehicle registrations, highway toll collection and e-way bills. This economic revival has led to a sharp recovery in Chola's disbursements and collections during Q2 FY22.

We continue to hold Management and additional overlay provisions at 700 Cr. Apart from this, we have created 10% additional provision for all restructured accounts as per RBI guidelines.

Performance Highlights:

Particulars	Rs in Cr					
	Q2 FY-21	Q2 FY-22	Growth (Y-o-Y)	YTD Sep 20	YTD Sep 21	Growth (Y-o-Y)
Disbursements	6,457	8,706	35%	10,046	12,341	23%
AUM	74,471	75,063	1%	74,471	75,063	1%
Total Income	2,440	2,471	1%	4,553	4,938	8%
Finance Cost	-1,185	-1,078	-9%	-2,316	-2,182	-6%
Net Income Margin	1,255	1,393	11%	2,238	2,756	23%
Total Expenses	-355	-518	46%	-701	-888	27%
Loan Losses	-318	-58	-82%	-374	-610	63%
Profit Before Tax	582	817	40%	1,163	1,257	8%
Profit After Tax	432	607	40%	863	933	8%

- Aggregate disbursements in Q2 FY 22 were at ₹ 8,706 Cr as against ₹ 6,457 Cr in Q2 FY 21 with a growth of 35%. Disbursements in H1 FY 22 were at ₹ 12,341 Cr as against ₹ 10,046 Cr registering the growth of 23% Y-on-Y.
- Vehicle Finance (VF) disbursements were at ₹ 6,161 Cr in Q2 FY 22 as against ₹ 4,781 Cr in Q2 FY21, growth of 29%. Disbursements in H1 FY 22, were at ₹ 9,007 Cr as against ₹ 8,012 Cr in the previous year, reporting a growth of 12% Y-o-Y.
- Loan Against Property (LAP) business disbursed ₹ 1,736 Cr in Q2 FY 22, as against ₹ 1,052 Cr in Q2 FY 21, with a good growth rate of 65%. The Disbursements in H1 FY 22 were at ₹ 2,122 Cr as against ₹ 1,171 Cr in the previous year, registering a good growth rate of 81% Y-o-Y.
- Home Loan (HL) business disbursed ₹ 494 Cr in Q2 FY 22, as against ₹ 381 Cr in Q2 FY 21. The Disbursements in H1 FY 22 were at ₹ 693 Cr as against ₹ 571 Cr in the previous year, registering a growth of 21% Y-o-Y.
- Assets under management as of 30th Sep 2021, stood at ₹ 75,063 Cr as compared to ₹ 74,471 Cr as of end Sep in FY21.
- Profits after Tax (PAT) for Q2 FY 22 were at ₹ 607 Cr compared to ₹ 432 Cr in Q2 FY 21, reporting a growth of 40%. PAT for H1 FY 22, were at ₹ 933 Cr as against ₹ 863 Cr in the same period last year registering a growth of 8%.
- PBT-ROA for Q2 FY 22 was at 4.5% and for the half year was at 3.5% as against 3.4% in half year of FY21.
- ROE for the H1 FY 22 was at 18.7 % as against 20.0% in previous year.
- The Company continues to hold a strong liquidity position with ₹ 5,401 Cr as cash balance as at end of September 21 (including Rs 1500 Cr invested in Gsec shown under investments), with a total liquidity position of ₹ 9,800 Cr (including undrawn sanctioned lines). The ALM is comfortable with no negative cumulative mismatches across all time buckets.

Asset Quality

CIFCL asset quality as at end of September 2021, represented by Stage 3 assets stood at 6.16% with a provision coverage of 36.45%, as against 6.79% as at end of June 2021 with a provision coverage of 35.51%. The total provisions currently carried against the overall book is 4.09% as against the normal overall provision levels of 1.75% carried prior to the Covid-19 pandemic, representing more than twice the normal pre-covid provision coverage level.

Total restructuring Book (1.0 & 2.0) stood at ₹ 4,749 Cr as on September 2021 representing 6.85% of the total Book in Stage 2. Restructuring 1.0 and Restructuring 2.0 stood at 1.27% and 5.58% respectively as on September 2021.

	Rs in Cr							
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Gross Assets - Stage 3	2,024	2,163	1,996	1,904	2,486	2,705	4,545	4,271
Stage 3 Assets to Total Gross Assets	3.54%	3.80%	3.34%	2.98%	3.75%	3.96%	6.79%	6.16%
ECL Provisions - Stage 3	667	898	831	818	1,082	1,197	1,614	1,557
Coverage ratio (%) - Stage 3	32.95%	41.52%	41.62%	42.93%	43.52%	44.27%	35.51%	36.45%
Gross Assets - Stage 1&2	55,072	54,762	57,777	62,041	63,755	65,579	62,348	65,083
ECL Provisions - Stage 1 &2	391	625	607	871	963	1,247	1,313	1,282
Coverage ratio (%) - Stage 1&2	0.71%	1.14%	1.05%	1.40%	1.51%	1.90%	2.11%	1.97%
Total ECL Provision	1,058	1,523	1,437	1,688	2,045	2,444	2,926	2,839
Overall Provision Coverage	1.85%	2.68%	2.40%	2.64%	3.09%	3.58%	4.37%	4.09%

Note: Sep-20 and Dec-20 numbers are before considering Supreme Court Interim orders, which had directed the accounts which were not declared NPA till 31-Aug-2020 shall not be declared as NPA till further orders. This is done to facilitate comparative numbers. The interim order granted stands vacated on March 23 and hence company has continued with the asset classification as per ECL model under INDAS for the quarter and year ended 31st March 2021.

Considering the Supreme Court Interim orders directions Stage 3 % for Sep-20 and Dec-20 works out to 2.75% and 2.57% respectively.

Capital Adequacy:

The Capital Adequacy Ratio (CAR) of the company as on 30th September 2021, was at 19.63% as against the regulatory requirement of 15%. Tier-I Capital was at 16.67%.

Equity Investment in Paytail:

In Current quarter Q2-FY22, we have made an investment of ₹ 9.75 Cr in Paytail commerce Private Limited for a holding of 16.29%.